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Tian Shan Development (Holding) Limited
天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2118)

**DEALINGS IN SECURITIES BY
DIRECTORS DURING BLACK-OUT PERIOD**

This announcement is made by Tian Shan Development (Holding) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to paragraph C.14 of Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

DISPOSAL OF SHARES

Reference is made to the announcements of the Company dated 22 February 2016, 26 October 2016, 13 February 2018, 27 April 2020, 30 October 2020 and 31 March 2022 (the “**Announcements**”) in relation to, among others, the facility agreement dated 22 February 2016 (as amended by the amendment and restatement deed dated 26 October 2016 and the second amendment and restatement deed dated 27 April 2020, respectively) for a loan facility of up to an aggregate principal amount of HK\$550,000,000 (the “**Loan Facility**”) granted by Maxiup Holdings Ltd. (the “**Lender**”) to the Company and the specific performance obligations on the controlling shareholders of the Company thereunder. Capitalised terms used herein shall have the same meaning as those defined in the Announcements unless the context requires otherwise.

As disclosed in the Announcements, Neway, a controlling shareholder of the Company, had deposited 520,000,000 Shares (representing approximately 51.70% of the issued share capital of the Company) into a security account and charged the same in favour of the Lender pursuant to a share charge executed on 27 April 2020. Neway is owned as to 25% by Mr. Wu Zhen Shan, 25% by Mr. Wu Zhen Ling and 25% by Mr. Zhang Zhen Hai, all being the directors of Neway and also the executive Directors. As such, each of Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai is deemed to be interested in the Shares held by Neway by virtue of the Securities and Futures Ordinance.

The Board was informed by Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai on 27 June 2022 that at the request of the Lender, Neway transferred 99,594,000 Shares (representing approximately 9.90% of the issued share capital of the Company) to the Lender (the “**Disposal**”) for the assignment of loan and accrued receivable from the Company of approximately HK\$176.5 million (equivalent to HK\$1.778 per share (the “**Transfer Price**”). Immediately after the completion of the Disposal, there are 420,406,000 Shares held by Neway which remain in the security account and which will continue to be charged in favour of the Lender.

Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai further informed the Company that at the request of the Lender and as part of the Disposal, Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai shall grant a put option (the “**Put Option**”) to the Lender for 99,594,000 Shares (representing approximately 9.90% of the issued share capital of the Company) exercisable at the Transfer Price per option share multiplied by 10% per annum on compound basis and subject to relevant terms and conditions.

Pursuant to paragraph A.3 of Appendix 10 to the Listing Rules, all Directors are prohibited from dealing in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the final results (the “**Black-out Period**”). As the final results for the year ended 31 December 2021 has not been published, the Disposal (and the Put Option thereunder) therefore fell within the Black-out Period.

The Directors (except Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai), after considering the Disposal (and the Put Option thereunder), are satisfied that the Disposal (and the Put Option thereunder) during the Black-out Period occurred under exceptional circumstances within the meaning of paragraph C.14 of Appendix 10 to the Listing Rules, and that the Disposal (and the Put Option thereunder), which occurred at the request of the Lender and was for the purpose of settling some of the loan on the part of the Company under the Loan Facility which Neway is one of the guarantors, should be allowed.

Prior to the completion of the Disposal, Neway held 750,000,000 Shares (representing approximately 74.56% of the issued share capital of the Company). Immediately after completion of the Disposal and as at the date of this announcement, Neway owns 650,406,000 Shares, and the beneficial shareholding interest of Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai in the Company reduces accordingly from approximately 74.56% to 64.66% of the total issued share capital of the Company.

By Order of the Board
Tian Shan Development (Holding) Limited
Wu Zhen Shan
Chairman

Hong Kong, 29 June 2022

As at the date of this announcement, the Board comprises three executive Directors, Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai; and three independent non-executive Directors, Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan.